



STATE OF ARIZONA

NOTICE OF REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER ADOC14-00003887/14-066-24

PROPOSAL DUE DATE May 1, 2014 AT 3:00 P.M. M.S.T.

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the materials or services specified will be received by the Department of Corrections through the electronic procurement system ProcureAZ at <https://procure.az.gov/bsa/>. Proposals received by the correct time and date will be opened on-line.

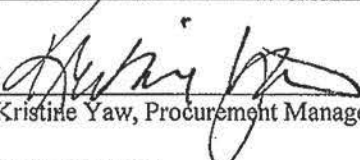
Late proposals will not be considered.

A Pre-Proposal Conference and On-site Inspections have been scheduled. For details, please see page 3, Special Terms and Conditions, Paragraph 1.2.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE REQUEST FOR PROPOSAL.

REQUESTING AGENCY:	Arizona Department of Corrections
SERVICE:	Inmate Telephone System
LOCATION:	Statewide
CONTRACT TYPE:	Fixed Price
CONTRACT TERM:	Five (5) Year with Five (5) Year Renewal Option

An Equal Employment Opportunity Agency



Kristine Yaw, Procurement Manager

(602) 542-1172
PHONE

March 6, 2014
DATE



LEON GEORGE CHIEF PROCUREMENT OFFICER

Description: Inmate Telephone System

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1 SPECIAL TERMS AND CONDITIONS

1.1 PURPOSE

1.1.1 Pursuant to provisions of the Arizona Procurement Code, A.R.S. §41-2501, et. seq., the State of Arizona, Department of Corrections, hereafter known as the Department intends to establish a Contract for Inmate Telephone System Proposals from qualified Offerors will be accepted for the purpose of selecting a Contractor to provide Inmate Telephone System for the Arizona Department of Corrections Prison Institutions as identified herein.

1.2 PRE-PROPOSAL CONFERENCE/ONSITE INSPECTIONS:

1.2.1 A Pre-Proposal Conference shall be held on **March 24, 2014** at 10:00 a.m. M.S.T. (Arizona Time) at the Arizona Department of Corrections in Training Room 4507, 4th Floor, 1645 West Jefferson Street, Phoenix, Arizona 85007. All potential Offerors are encouraged to attend.

1.2.2 *Offerors desiring to attend the on-site inspections shall fax the following information no later than 5:00pm M.S.T. **March 21, 2014**, to Kristine Yaw at 602-364-3790 to make arrangements to attend the on-site inspection: Name of person(s) attending, social security number (s), and date(s) of birth. This information is required for the purpose of security checks, prior to allowing person(s) into a correctional facility. No more than two (2) persons from each company shall be allowed to attend the on-site inspections.*

1.2.3 Conference/Onsite Inspection attendees must comply with Department Order #503, Employee Grooming Standards (i.e., no blue jeans or blue shirts). A copy of this Department Order is located at www.azcorrections.gov. Conference attendees failing to obtain security clearance and/or to comply with the non-uniformed personnel grooming, dress standards, will not be admitted into the facility.

1.2.4 Please refer to Attachment #7 Prison Site Visit Schedule for date and location of the onsite.

1.3 TERMS OF CONTRACT:

1.3.1 The term of any resultant Contract shall commence on the date of award and shall continue for a period of Five (5) Year with Five (5) Year renewal option, unless terminated or canceled, as otherwise provided herein.

1.3.1.1 This Contract is expected to commence with the expiration of the current Contract, in effect through October 18, 2014.

1.4 AUTHORITY TO CONTRACT:

1.4.1 This Contract activity is issued under the authority of the Arizona Department of Corrections, Chief Procurement Officer. No alteration of any portion of the Contract, any items or services awarded, or any other agreement that is based upon this Contract may be made without express written approval of the Department in the

form of an official Contract amendment. Any attempt to alter any documents on the part of the ordering agency or any Contractor is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to legal and Contractual remedies available to the State inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

1.5 SUBMISSION OF OFFER

1.5.1 Electronic Documents. The Solicitation document is provided in an electronic format. Any unidentified alteration or modification to any Solicitation documents, to any attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. In those instances where modifications are identified, the original document published by the State shall take precedence. As provided in the Solicitation Instructions, Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission to the State.

1.5.2 Acceptable Formats. Offer electronic files shall be submitted in a format acceptable to the State. Acceptable formats include .DOC and .DOCX (Microsoft Word), .XLS and .XLSX (Microsoft Excel), .PPT and .PPTX (Microsoft PowerPoint) and .PDF (Adobe Acrobat). Other file formats may also be acceptable, including .ZIP, .MDB, .MDBX, .MPP, MPPX, .VSD, .JPG, .GIF, and .BMP. Offerors wishing to submit files in these or other formats shall submit an inquiry to the State's Solicitation Contact Person.

1.6 SUBMISSION REQUIRED IN PROCUREAZ

1.6.1 Offer shall be submitted in an acceptable format, as described herein, using the State's online e-Procurement application ProcureAZ (<https://procure.az.gov/bso/>). Submission of offers by means other than the ProcureAZ system, except as noted in Section 1.5, will not be accepted. Submission of hard copy as noted in Section 1.7 in addition to, not in lieu of, the requirement of this section. Prospective Offerors with questions in this regard shall contact the Procurement Officer prior to the Solicitation's due date and time

1.8.2 To submit an Offer, Offerors must register in the ProcureAZ system. Offerors requiring assistance in the registration process or in navigating the ProcureAZ system may call the Help Desk at (602) 542-7600.

1.7 SUBMISSION REQUIRED IN HARD COPY

1.7.1 In addition to submitting through the State's online e-Procurement application, ProcureAZ, Offerors are required to submit hard-copies of the proposal which shall be submitted on the forms and format as contained in the RFP. Offerors must submit their copies prior to the proposal due date and time.

- 1.7.2 Each Offeror must supply one original offer, marked with the company name and "ORIGINAL" on the cover in large easy-to-read letters and five (5) full copies of each proposal, each marked with the company name and sequentially numbered "COPY NO. 1", "COPY NO. 2", "COPY NO. 3", etc., on the cover in large easy-to-read letters.
 - 1.7.2.1 In addition, each Offerer shall also provide a copy of their proposal on a flash drive.
- 1.7.3 Proposals must be submitted in a sealed envelope and/or box with the Request for Proposal Number and the Offeror's name and address clearly indicated on the outside of the envelope and/or box. It is not necessary to place each individual copy in its' own separate envelope.
- 1.7.4 Please use eco-friendly consideration and consumables when preparing your response. Elaborate brochures, expensive paper, bindings, visuals, presentation aids and packaging beyond that sufficient to present a complete and effective proposal is not desired.
- 1.8 To aid in the evaluation, it is desired that all proposals follow the same general format. The proposal hardcopy must be submitted in binders and both electronic and hard copy offers shall be indexed and tabbed in the order stated below with each tab clearly labeled:
 - Tab 1 Provide a signed copy of the Offer and Acceptance Page. Proposals submitted without an original, signed copy of this document may be considered nonresponsive.
 - Tab 2 Offerors shall certify within their proposal response that the electronic submittal and hard-copy submittals are identical.
 - Tab 3 The Offeror shall provide a thorough description of the services being offered to the Department. Respond specifically, and in order to all items listed in the Scope of Work. The numbering sequence in responding to the Scope of Work must follow and be in accordance with the numbering sequence of the Scope of Work contained in the Solicitation document.
 - Tab 4 Offerors shall include the Deviations and Exceptions Form. See Attachment No.9. Deviations and exceptions may cause your offer to be non-responsive. Deviations and exceptions noted elsewhere in the offer and not specified on this form shall be considered void and not part of your offer.
 - Tab 5 Include the confidential/proprietary information form. See Attachment No. 10.
 - Tab 6 Fee Schedule
 - a) Offeror shall include the Proposed Commission Rate on Attachment #2.

Tab 7 Include any other documentation as necessary.

- 1.10.1 All pages of the response to the Request for Proposal shall be consecutively numbered
- 1.10.2 Responses to Sections and Subsections shall be provided in the consecutive order of the Sections and Subsections.
- 1.10.3 All responses to a particular Section or Subsection of this Request for Proposal shall begin with the clear identification of the Section or Subsection for which the response is being provided.
- 1.10.4 All information submitted in response to a particular Section or Subsection of this Request for Proposal shall be provided under the response to that particular Section or Subsection. An Offeror shall not refer to another part of the response. Information or data pertaining to a particular Section or Subsection but included elsewhere shall not be considered part of the response and shall not be considered part of any Contract awarded as a result of this Request for Proposal.
- 1.10.5 The Offeror shall acknowledge that the Offeror has read, understands, and shall comply with, as applicable, each Section and Subsection of the Request for Proposal, even those Sections and Subsections that are or appear to be informational only. For example, to acknowledge this Subsection, your response shall indicate that you "have read, understand, and shall comply with Sections X.X through X.X.
- 1.10.6 For those Sections and Subsections that require the submission of information, the Offeror in addition to making the acknowledgement required in Section 1.10.5 shall submit the requested information in a format consistent with the request as stated in the Request for Proposal.
- 1.10.7 When an Offeror submits their copies prior to the date and time indicated and changes occur within their proposal, Offerors are required to formally withdraw their proposal copies and resubmit prior to the due date and time.

1.10.7.1 Hard-copies are to be submitted to one of the addresses below:

HAND DELIVERY --OVERNIGHT MAIL
Arizona Department of Corrections
Procurement Services
1645 W. Jefferson Street, 4th Floor, Suite 4401
Phoenix, AZ 85007

OR

US MAIL
Arizona Department of Corrections

SPECIAL TERMS AND CONDITIONS
SOLICITATION NO. ADOC14-00003887/14-066-24

**ARIZONA DEPARTMENT OF
CORRECTIONS**

Procurement Services
1601 W. Jefferson, Mail Code 55302
Phoenix, AZ 85007

1.9 QUESTIONS, CLARIFICATIONS OR INTERPRETATIONS:

1.9.1 Any doubt as to the requirements of the Request for Proposal or any apparent omissions or discrepancies shall be presented in writing through ProcureAZ. The Department shall determine the appropriate action necessary, if any, and issue a written amendment to the Request for Proposal through ProcureAZ:

1.10 PROPOSAL OPENING:

1.10.1 Proposals shall be opened online on the date and time, as indicated through ProcureAZ, or as amended by the Department. Following the opening, interested parties may contact the Procurement Officer to request a copy of the proposal tabulation. After Contract award, the proposals and evaluation documents shall be open for public inspection.

1.11 PRICING

1.11.1 The method of compensation governing the Contract shall be fixed price.

1.12 RULES AND REGULATIONS:

1.12.1 Attention of the Offerors is called to the requirements specified in Attachment #1, Rules for Non-Employees of the Department of Corrections in Arizona State Prison Complexes which shall be adhered to in all respects.

1.12.2 Should the Contractor require signatures of other parties such as subcontractor or persons directly or indirectly employed by the Contractor, it shall be the Contractor's responsibility to obtain such signatures. The signed document must be submitted within ten (10) days of notification of intent to award.

1.13 AWARD:

1.13.1 It is the intention of the Department to award a single Contract for all of the proposed services.

1.14 MULTIPLE AWARDS:

1.14.1 In order to assure that any ensuing Contracts will allow the Department to fulfill current and future requirements, the Department reserves the right to award Contracts to multiple companies. The actual utilization of any Contract will be at the sole discretion of the Department. The fact that the Department may make multiple awards should be taken into consideration by each Offeror

1.15 UNLAWFUL SEXUAL CONDUCT:

1.15.1 A person – who is employed by the State Department of Corrections or the Department of Juvenile Corrections; is employed by a private prison facility or a city or county jail; Contracts to provide services with the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail; is an official visitor, volunteer or agency representative of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail – commits unlawful sexual conduct by intentionally or knowingly engaging in any act of a sexual nature with an offender who is in the custody of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail or with an offender who is under the supervision of either Department or a city or county.

1.18.2 This section does not apply to a person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail or an offender who is on release status if the person was lawfully married to the prisoner or offender on release status before the prisoner or offender was sentenced to the State Department of Corrections or was incarcerated in a city or county jail.

1.18.3 Unlawful sexual conduct with an offender who is under fifteen years of age is a class 2 felony. Unlawful sexual conduct with an offender who is between fifteen and seventeen years of age is a class 3 felony. All other unlawful sexual conduct is a class 5 felony.

1.18.4 Unlawful sexual conduct; correctional facilities; classification; Definition
A.R.S. §13-1419.

1.16 FEDERAL PRISON RAPE ELIMINATION ACT 2003:

1.16.1 The Contractor shall comply with the Federal Prison Rape Elimination Act of 2003.

1.17 DOCUMENTS FOR AWARD:

1.17.1 The Department will not sign any agreements or any other documents presented for the services listed herein. The completed Offer and Acceptance form signed by the Chief Procurement Officer and the award notice will be the Contract.

1.18 INVESTIGATIONS:

1.18.1 The Department reserves the right to make investigations, as deemed necessary, to determine the ability of the Contractor to perform the specified work. The Contractor shall furnish to the Department all such information and data for this purpose as may

be requested. The Department reserves the right to reject any Offer if evidence submitted or investigation fails to satisfy the Department that the Contractor is properly qualified to carry out the obligations of the Solicitation. Conditional Offers shall not be accepted.

1.19 REJECTION OF OFFERS:

1.19.1 The Department, at its discretion, may reject any and/or all Offers.

1.20 CANCELLATION:

1.20.1 The Department reserves the right to cancel the whole or any part of this Contract due to failure by the Contractor to carry out any obligation, term or condition of this Contract. The Department will issue written notice to the Contractor for acting or failing to act as in any of the following:

1.23.1.1 The Contractor provides services or material that does not meet the specifications of this Contract;

1.23.1.2 The Contractor fails to adequately perform the services set forth in the specifications of this Contract;

1.23.1.3 The Contractor fails to complete the services required or to furnish the materials required within the time stipulated in the Contract;

1.23.1.4 The Contractor fails to progress in the performance of this Contract and/or gives the Department reason to believe that the Contractor will not or cannot perform to the requirements of the Contract.

1.23.2 Upon receipt of the written notice of concern, the Contractor shall have ten (10) days to provide a satisfactory response to the Department. Failure on the part of the Contractor to adequately address all issues of concern may result in the Department resorting to any single or combination of the following remedies:

1.23.2.1 Cancel any Contract;

1.23.2.2 Reserve all rights or claims of damage for breach or any covenants of the Contract;

1.23.2.3 Perform any test or analysis on materials or services for compliance with the specifications of this Contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the Contractor;

1.23.3 In case of default, the Department reserves the right to procure services or to complete the required work in accordance with the Arizona Procurement Code. The Department may recover any actual excess costs from the Contractor or by:

1.23.3.1 Deduction from unpaid balance;

1.23.3.2 Collection against the Offer and/or performance bond, or;

1.23.3.3 Any combination of the above or any other remedies as provided by law.

1.21 EVALUATION:

1.21.1 In accordance with the Arizona Procurement Code §41-2534, Competitive Sealed Proposals, award shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the Department based upon the evaluation criteria listed below. The evaluation factors are listed in the relative order of importance.

Exceptions to the Terms and Conditions, as stated in the Uniform Instructions Section C4, will impact an Offeror's susceptibility for award.

1.24.1.1 **Commission Rate (maximum 1250 points)** - Calculated at the rate of 5 points for every percentage up to 50 percent. (For example: 45.0 % commission rate = $45 \times 5 = 225$ points).

Plus 50 points for every percentage over 50 percent. (For example: 54.0 % commission rate = $(50 \times 5) + (4 \times 50) = 450$ points.

1.24.1.2 **Technical Requirements (maximum 150 points)**

1.24.1.3 **Contractor Qualification Requirements (maximum 100 points)**

1.24.1.4 **Implementation Plan (maximum 50 points)**

1.22 DISCUSSIONS:

1.22.1 In accordance with A.R.S. §41-2534, after the initial receipt of proposals, the Department reserves the option to conduct discussions with those Offerors who submit proposals determined by the Department to be reasonably susceptible of being selected for award.

1.23 CONFIDENTIALITY OF RECORDS:

1.23.1 The Contractor shall establish and maintain procedures and controls, that are acceptable to the Department for the purpose of assuring that no information contained in its records or obtained from the Department or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the Department. Contractor also agrees that any information pertaining to individual persons shall not be divulged

other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the Department.

1.24 INDEMNIFICATION:

1.24.1 Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

1.27.2 This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.25 INSURANCE:

1.25.1 The successful contractor will be required to provide the following Certification of Insurance within five (5) days after receipt of written notice of intent to award this contract. The contractor must furnish the State, certification from insurer(s) for coverage in the minimum amount as stated below. The coverage shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

1.28.2 Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

1.28.3 The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect

the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

1.28.4 MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1.28.5 Commercial General Liability – Occurrence Form. Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

1.28.5.1	General Aggregate	\$2,000,000
1.28.5.2	Products - Completed Operations Aggregate	\$1,000,000
1.28.5.3	Personal and Advertising Injury	\$1,000,000
1.28.5.4	Blanket Contractual Liability – Written and Oral	\$1,000,000
1.28.5.5	Fire Legal Liability	\$ 50,000
1.28.5.6	Each Occurrence	\$1,000,000

1.28.5.7 The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".

1.28.5.8 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.28.6 Business Automobile Liability - Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

1.28.6.1 Combined Single Limit (CSL) \$1,000,000

1.28.6.2 The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".

1.28.6.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities, and its officer, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.28.7 Worker's Compensation and Employers' Liability

1.28.7.1	Workers' Compensation	Statutory
1.28.7.2	Employers' Liability:	
1.28.7.3	Each Accident	\$ 500,000
1.28.7.4	Disease – Each Employee	\$ 500,000
1.28.7.5	Disease – Policy Limit	\$1,000,000

1.28.8 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.28.8.1 This requirement shall not apply to: Separately, each contractor or subcontractor exempt under A.R.S. §23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

1.28.9 Professional Liability (Errors and Omissions Liability)

- | | | |
|----------|------------------|-------------|
| 1.28.9.1 | Each Claim | \$1,000,000 |
| 1.28.9.2 | Annual Aggregate | \$2,000,000 |
- 1.28.9.3 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- 1.28.9.4 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

1.28.10 **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

- 1.28.10.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 1.28.10.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 1.28.10.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- 1.28.11 **NOTICE OF CANCELLATION:** With the exception of ten (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require thirty (30) days written notice to the State of Arizona. Such notice shall be sent directly to (State of Arizona Department of Corrections, 1601 West Jefferson Street, M/C 55302, Phoenix, AZ 85007-3002 and shall be sent by certified mail, return receipt requested.
- 1.28.12 **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- 1.28.13 **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- 1.28.14 All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 1.28.15 All certificates required by this Contract shall be sent directly to State of Arizona Department of Corrections, 1601 West Jefferson Street, M/C 55302, Phoenix, AZ 85007-3002. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. Do not send certificates of insurance to the state of Arizona's Risk Management Division.
- 1.28.16 **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- 1.28.17 **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.
- 1.28.18 **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall

provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

1.29 INDEPENDENT STATUS OF THE CONTRACTOR:

- 1.29.1 The Contractor is an independent Contractor and will not, under any circumstances, be considered an employee, servant or agent of the Department, nor will the employees, servants or agents of the Contractor be considered employees of the Department.
- 1.29.2 Personnel actions of employees on the Contractor's payroll shall be the Contractor's responsibility. The Contractor shall comply with all applicable government regulations related to the employment, compensation and payment of personnel.
- 1.29.3 The Department will not be responsible in any way for the damage or loss caused by fire, theft, accident, or otherwise to the Contractor's stored supplies, materials, equipment, or his employee's personal property stored on Department property.

1.30 NOTICE WARNING:

- 1.30.1 Any person who takes into or out of or attempts to take into or out of a correctional facility or the grounds belonging to or adjacent to a correctional facility, any item not specifically authorized by the correctional facility, shall be prosecuted under the provisions of the Arizona Revised Statutes. All persons, including employees and visitors, entering upon these confines are subject to routine searches of their persons, vehicles, property or packages.

Definition: A.R.S. §13-2501:
A.R.S. §13-2505,
ADC Department Order 708

1.31 CONTRABAND:

- 1.31.1 Contraband means any dangerous drug, narcotic drug, intoxicating liquor of any kind, deadly weapon, dangerous instrument, explosive or any other article whose use or possession would endanger the safety, security or preservation of order in a correctional facility or any person therein. (Any other article includes any substance which could cause abnormal behavior, i.e., marijuana, nonprescription medication, etc.)

Promoting prison contraband A.R.S. §13-2505:

- 1.31.1.1 A person, not otherwise authorized by law, commits promoting contraband:
- 1.31.1.2 By knowingly taking contraband into a correctional facility or the grounds

of such a facility; or

- 1.31.1.3 By knowingly conveying contraband to any persons confined in a correctional facility; or
- 1.31.1.4 By knowingly making, obtaining, or possessing contraband in a correctional facility.

Promoting Prison Contraband is a Class 5 felony:

Definition: A.R.S. §13-2501;
A.R.S. §13-2505,
ADC Department Order 708

1.32 BUSINESS STANDING A.R.S. §10-1501:

1.32.1 A selected Contractor whose business structure requires that documents be filed regularly with the Arizona Corporation Commission (ACC) must remain in good standing with the ACC during the term of the Contract. An out-of-state firm selected for Contract award must file necessary documents with the ACC as doing business in Arizona prior to execution of the Contract and, throughout the term of the Contract, must remain in good standing with the ACC and the entity where the original documents were filed.

1.33 BID BOND:

1.32.1 Vendor shall supply with their return Request for Proposal response, a Bid Bond in the amount of \$50,000. Bond shall be made out to the Arizona Department of Corrections.

1.34 PERFORMANCE AND PAYMENT BONDS:

1.34.1 Prior to award of contract the Contractor must provide a Performance Bond and Payment Bond equal to 100% of value of the contract for the first year and shall maintain this bond by annual renewal for each subsequent year of the contract term. The proceeds from the bond shall be used to correct default situations relative to lack of performance on the part of the Contractor, or to pay Department expenses to relocate assigned inmates and acquire similar services if the Contract is terminated or the Contractor defaults during the term of the Contract.

1.34.2 Performance Bonds and Payment bonds shall be of a standard commercial scope and shall be issued by a surety company authorized by the Director of the Arizona Department of Insurance pursuant to Title 20, Chapter 2, Article 1, to transact business in Arizona.

1.34.3 Performance Bonds and Payment Bonds shall be in a form acceptable to the State and shall be payable to the Arizona Department of Corrections, an agency of the State of Arizona.